

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7238**

**BILL NUMBER: HB 1768**

**DATE PREPARED: Jan 10, 2001**

**BILL AMENDED:**

**SUBJECT:** Property tax exemption for commercial cargo aircraft.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill exempts from the aircraft excise tax commercial passenger and commercial cargo aircraft located in Vigo County for maintenance purposes.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** The State levies a one cent tax rate for State Fair and State Forestry. Any reduction in the assessed value base will reduce the property tax revenue for these two funds.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, commercial aircraft are assessable as personal property. The value of aircraft is apportioned to Indiana on the basis of ground time in Indiana compared with ground time outside of Indiana. This bill would exempt commercial passenger aircraft and commercial cargo aircraft in Vigo County from property taxation if the aircraft is located in the county solely for the purpose of maintenance.

There are currently no known taxpayers with subject property in Vigo County. If there is an increase in development because of this proposal, state and local tax collections could increase. However, if it is assumed that the investment would be made with or without the abatement, the exemption could negate any shift of the property tax burden from all taxpayers to the owners of the new property that would occur if the aircraft valuation was added to the tax base. Total local property tax revenues would remain unchanged.

**State Agencies Affected:**

**Local Agencies Affected:** Vigo County.

**Information Sources:**